

The complaint

Mr M complains that Revolut Limited (Revolut) blocked his account, without telling him why it had done so or when it would be re-opened.

What happened

In November 2019, Revolut blocked Mr M's account, while it carried out a review. Mr M complained. He said he needed the money in his account to pay his rent and asked several times when Revolut would unblock his account. Whenever Revolut responded to Mr M, it said the account was still under review and that it couldn't give him a timeframe as to when the review would be complete.

On 30 December 19, Revolut issued its final response to Mr M. It said it couldn't give him any further details but that it had requested for his review to be prioritised, and said it would be in touch with an update when it could.

Mr M remained unhappy so he brought his complaint to our service on receipt of Revolut's final response. Revolut unblocked Mr M's account on 23 March 2020, in order to allow Mr M access to his funds. It then closed Mr M's account, although Mr M has confirmed his complaint relates solely to the block and the hardship he says he experienced during the block, and not the account closure.

When our investigator looked at the complaint, she recognised the impact the block had had on Mr M, but said Revolut had acted fairly in blocking his account. And that she was satisfied it had completed its review in a reasonable timeframe. Because of that, she didn't uphold Mr M's complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm satisfied Revolut acted in accordance with its legal and regulatory obligations when it blocked and reviewed Mr M's account. And that it was entitled to do so under the account terms and conditions.

I appreciate it was frustrating for Mr M to have his account blocked without knowing why, but banks are entitled and obliged to block accounts under certain circumstances, and having reviewed the evidence provided to me, I'm satisfied Revolut acted in accordance with its legal and regulatory obligations when it blocked Mr M's account.

Having said that, I would expect to see a bank complete its review promptly and not cause any unnecessary delays. And Mr M has said the block took so long that he couldn't pay his rent. And that he could've invested the funds in his account or earned interest on them. So, I've looked at the action Revolut took while it reviewed Mr M's account, to see if it caused any delays that in turn contributed to the distress and inconvenience Mr M says he experienced.

Reviewing an account in line with a bank's terms and conditions can take time and require careful consideration. Mr M's account was blocked for just shy of four months, from 30 November 2019 to 23 March 2020.

That's a considerable length of time, so I've thought carefully about whether or not Revolut ought to have completed its review more quickly. Having looked at the evidence it's provided to support its decision to keep the account blocked for so long, my view is that it was reasonable for Revolut to keep Mr M's account blocked during that time. And I'm satisfied it took reasonable steps to complete its review during the block in an acceptable timeframe.

I recognise Mr M was frustrated and was denied access to a significant sum of money. But because I'm satisfied Revolut acted appropriately while it carried out the review, and that it was reasonable for Revolut to maintain the block until 23 March 2020, I can't reasonably say it acted unfairly.

So, having looked at all of the evidence, I can see no basis on which I might make an award against Revolut, given that I don't think it failed to properly follow its own procedures or its legal and regulatory obligations when it blocked and reviewed Mr M's account. So, I'm not going to ask it to compensate him for any distress and inconvenience this may have caused. Or for any financial loss he may have suffered.

My final decision

For the reasons I've set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 January 2021.

Alex Brooke-Smith
Ombudsman